

NEW NORQUE MINES LIMITED

(Formerly Norque Copper Mines Limited)



*The Prospect of Today
is the Mine of To-morrow*

Annual Report to the Shareholders

FOR THE YEAR ENDED DECEMBER 31st, 1968

Officers:	<i>President</i> - - - - - BERT W. LANG <i>Secretary</i> - - - - - R. A. CRANSTON, Q.C. <i>Treasurer & Assistant Secretary</i> - - - - EDWARD A. PIGULSKI
Directors:	BERT W. LANG E. A. PIGULSKI C. WILLIAM STREIT R. A. CRANSTON, Q.C. JOHN L. MAY
Auditors:	GLENDINNING, JARRETT, GOULD & Co., Toronto-Dominion Centre, Toronto 1, Canada.
Bankers:	CANADIAN IMPERIAL BANK OF COMMERCE, 304 Bay Street, Toronto 1, Canada.
Solicitors:	LANG, MICHENER, CRANSTON, FARQUHARSON & WRIGHT, 50 King Street West, Toronto 1, Canada.
Transfer Agent and Registrar:	CANADA PERMANENT TRUST COMPANY, 1901 Yonge Street, Toronto, Canada.
Head Office:	Suite 1705, 80 Richmond Street West, Toronto 1, Canada.

The Annual and Special General Meeting of the Company
will be held at Suite 1705, 80 Richmond St. West
Toronto 1, Canada
at 12 o'clock noon on June 25th, 1969

NEW NORQUE MINES LIMITED

NEW NORQUE MINES LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors submit herewith the Balance Sheet of the Company as at December 31st, 1968 and the Auditors' Report thereon, Statement of Deferred Development and Statement of Source and Use of Funds for the year 1968.

There was included in the last Annual Report a summary of an agreement between your Company and Keevil Mining Group Limited covering the terms under which your Company's property is being explored and developed by that Company. This agreement provided for the reorganization of Norque Copper Mines Limited by change of name to New Norque Mines Limited and by reducing the number of outstanding shares from 3,000,000 to 750,000 shares by issuing 1 share of New Norque for each 4 shares of Norque Copper Mines Limited. When the agreement referred to above was entered into the Company held claims in Dufresnoy and Duprat Townships covering an area of approximately 4,480 acres with an east-west length of over six miles. Since that date claims were acquired by staking and turned over to the Company covering an additional 1,199 acres so that the Company's property at this time covers an area of 5,679 acres.

The above mentioned agreement has been amended by two agreements, one of which covered a revision in the amounts and the dates on which payments were to be made. A total of \$13,000 has been received under the terms of this agreement and under the terms of an amending agreement future optional payments have been revised as set out below.

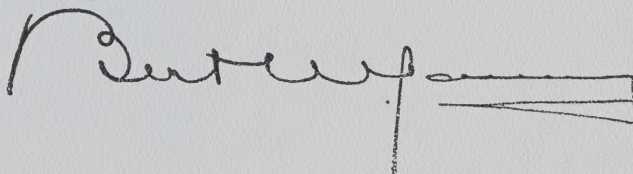
	<u>From</u>	<u>To</u>
Payable on or before Dec. 31/69	\$ 12,000	\$ 6,000
Payable on or before Dec. 31/70	\$ 12,000	\$ 6,000
Payable on or before Dec. 31/71	—	\$ 12,000
Payable on or before Dec. 31/72	\$ 13,000	\$ 13,000

The second amending agreement provided for an increase in the authorized capital of the Company from 3,000,000 to 3,750,000 shares with a par value of \$1.00 each and an increase from 600,000 to 1,350,000 in the number of shares of the Company which Keevil Mining Group Limited shall have the option to purchase at 50¢ per share within six months of the date upon which Keevil has provided or arranged to provide to the Company sufficient funds to enable the Company to erect a mill and bring the property into production.

During the past year Keevil Mining Group Limited has covered the property by an aerial geophysical survey and carried out detailed induced polarization surveys over selected portions of the property. We are advised by Keevil that a number of holes will be drilled during 1969 to test certain of the induced polarization anomalies.

Norque Copper Mines Limited has been reorganized, on the basis referred to in this report. Shareholders of Norque Copper Mines Limited who have not already exchanged their shares for New Norque Mines Limited should forward to Canada Permanent Trust Company, 1901 Yonge Street, Toronto, Canada, certificates for shares of Norque Copper Mines Limited with a letter requesting the exchange of four shares for one share of New Norque Mines Limited and stating the name and address in which the new certificate is to be issued.

On Behalf of the Board of Directors,



President.

Toronto, Ontario,
May 26th, 1969.

NEW NORQUE
 (Formerly Norque
(Incorporated under the

BALANCE SHEET — A
 (With compar

ASSETS		1968	1967
CURRENT			
Cash	\$	7,968	478
MINING PROPERTIES — at cost (Note 1)		4,637	4,637
DEFERRED DEVELOPMENT		250,818	245,131
ORGANIZATION EXPENSES		2,822	2,137

Approved by the Board:

B. W. LANG, Director.

E. A. PIGULSKI, Director.

<u>\$ 266,245</u>	<u>252,383</u>
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AUDIT

To the Shareholders,
 New Norque Mines Limited.

We have examined the balance sheet of New Norque Mines Limited forme
 development and source and use of funds for the year then ended. Our examina
 records and other supporting evidence as we considered necessary in the circumstan

In our opinion, these financial statements present fairly the financial posit
 source and use of its funds for the year then ended, in accordance with gener
 year.

Toronto, Ontario,
 March 24, 1969.

per Mines Limited)
of the Province of Ontario)

gures for 1967)

CURRENT

Bank loan	\$ 22,000	22,000
Accounts payable	862	2,769
	<u>\$ 22,862</u>	<u>24,769</u>
AMOUNTS RECEIVED UNDER OPTION AGREEMENT (Note 3(a))	\$ 13,000	

CAPITAL STOCK

Authorized (Notes 2 to 3)		
3,000,000 shares of \$1 each		
Issued (Note 4)		
750,000 shares	\$ 356,120	353,351
DEFICIT	(125,737)	(125,737)
	<u>\$ 230,383</u>	<u>227,614</u>
	<u>\$ 266,245</u>	<u>252,383</u>

requre Copper Mines Limited as at December 31, 1968 and the statements of deferred
cluded a general review of the accounting procedures and such tests of accounting

the Company as at December 31, 1968 and the results of its operations and the accepted accounting principles applied on a basis consistent with that of the preceding

GLENDINNING, JARRETT, GOULD & CO.,

Chartered Accountants.

NEW NORQUE MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	1968	1967
1. Mining Properties		
Unpatented claims		
Noranda Area		
Acquired for:		
1,061,172 shares @ 10¢ per share	\$ 106,117	106,117
Cash	2,837	2,837
	<u>\$ 108,954</u>	<u>108,954</u>
Less: Allowed to lapse and written off		
Acquired for:		
1,018,600 shares @ 10¢ per share	\$ 101,860	101,860
Cash	2,457	2,457
	<u>\$ 104,317</u>	<u>104,317</u>
Balance		
Acquired for:		
42,572 shares @ 10¢ per share	\$ 4,257	4,257
Cash	380	380
	<u>\$ 4,637</u>	<u>4,637</u>
New Brunswick area		
Acquired for cash, subsequently allowed to lapse and written off	\$ 607	607
Per balance sheet	<u>\$ 4,637</u>	<u>4,637</u>
2. The Company obtained supplementary letters patent which		
(a) Reduced its authorized capital from \$4,000,000 to \$1,750,000 by cancelling pro rata \$2,250,000 of its issued shares.		
(b) Increased its authorized capital from \$1,750,000 to \$3,000,000 by creating an additional 1,250,000 shares of \$1 each.		
3. An agreement has been entered into with another mining company whereby		
(a) The mining company will pay \$50,000 in varying amounts between February 16, 1968 and December 31, 1972, perform exploration work on the company's mining claims, and undertake to maintain such claims in good standing.		
(b) On or before December 31, 1972 the mining company, provided it has paid the amount of \$50,000, shall have the right to enter into an underwriting and option agreement with the company. Such agreement will provide for the expenditure of \$300,000 (including the aforementioned \$50,000) by the mining company on exploration and development of the claims.		
In consideration of the above undertaking, the mining company shall have the option to take down shares in the Company for expenditures made, as follows:		
1. Within 12 months of the date of the agreement — 500,000 shares @ 50¢ per share.		
2. Within 18 months of the date of the agreement — 500,000 shares @ 75¢ per share.		
3. Within 30 months of the date of the agreement — 500,000 shares @ \$1 per share.		
(c) The mining company shall have the right to take down a further 600,000 shares @ 50¢ per share within six months after it has provided or arranged to provide sufficient funds to place the mining claims in production and to erect a mill on the company's property.		
An additional 750,000 shares may be taken down @ 50¢ per share provided the shareholders of the Company approve a resolution of the Board of Directors authorizing an application for supplementary letters patent to increase the authorized capital of the company from \$3,000,000 to \$3,750,000 by the creation of 750,000 shares of \$1 each and such supplementary letters patent are dated on or before June 30, 1969.		
4. 167,625 shares of the Company's capital stock are being held in escrow, to be released only with the written consent of the Ontario Securities Commission and the Board of Directors of the Company.		

NEW NORQUE MINES LIMITED

STATEMENT OF DEFERRED DEVELOPMENT

For the Year Ended December 31, 1968

(With comparative figures for 1967)

	1968	1967	
EXPLORATION EXPENSES			
Consulting fees	\$ 75		
Development licences and renewals		3,285	
Maps, prints and searches	10	4	
	<u>\$ 85</u>	<u>3,289</u>	
Less: Expenditure on mining claims allowed to lapse transferred to deficit		85 207	3,082
		<u></u>	
ADMINISTRATIVE EXPENSES			
Audit fees	\$ 705		
Capital and place of business taxes	100	81	
Interest expense	1,660		
Legal fees	1,177		
Miscellaneous	17	401	
Office accommodation	120	120	
Share certificates	155		
Shareholders' meetings and reports	776		
Telephone and telegraph	32	48	
Transfer agent's fees	860	5,602 348	998
	<u></u>	<u></u>	
Expenses for the year	\$ 5,687		4,080
Balance at beginning of year	245,131		241,051
	<u></u>	<u></u>	
Balance at end of year	<u>\$ 250,818</u>	<u>245,131</u>	

NEW NORQUE MINES LIMITED

STATEMENT OF SOURCE AND USE OF FUNDS

For the Year Ended December 31, 1968

(With comparative figures for 1967)

	1968	1967
SOURCE OF FUNDS		
Sale of treasury shares	\$ 2,769	390
Amounts received under option agreement	13,000	
	<u>\$ 15,769</u>	<u>390</u>
USE OF FUNDS		
Cost of unpatented claims	\$	380
Expenditures on exploration of mining claims and administrative expenses	5,687	4,080
Expenditures on mining claims allowed to lapse		207
Organization expenses	685	
	<u>\$ 6,372</u>	<u>4,667</u>
Increase (decrease) in working capital	\$ 9,397	(4,277)
Working capital deficiency at beginning of year	(24,291)	(20,014)
Working capital deficiency at end of year	<u>\$ (14,894)</u>	<u>(24,291)</u>